

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 7-144.3 and 7-172 as follows:

6 (40 ILCS 5/7-144.3) (from Ch. 108 1/2, par. 7-144.3)

7 Sec. 7-144.3. Supplemental benefit payment.

8 (a) A supplemental benefit payment, consisting of a sum  
9 calculated as provided in subsection (c), shall be payable to  
10 each eligible retirement annuitant and surviving spouse  
11 annuitant on July 1, 1993, and on each subsequent July 1;  
12 except that if this Code is amended to change the un compounded  
13 annual increase in retirement annuity granted in subsection (c)  
14 of Section 7-142 to a compounded annual increase, no  
15 supplemental benefit shall be paid under this Section on any  
16 July 1 occurring on or after the effective date of that  
17 amendment. The amount of the supplemental benefit payment, and  
18 a person's eligibility to receive the supplemental benefit  
19 payment, shall be redetermined for each year in which the  
20 benefit is payable.

21 (b) To be eligible to receive a supplemental benefit  
22 payment, a person must be entitled to receive a retirement  
23 annuity or surviving spouse annuity from the Fund on the July 1

1 supplemental benefit payment date, and must have been receiving  
2 that annuity during each of the 12 months immediately preceding  
3 that date; except that a surviving spouse annuitant whose  
4 surviving spouse annuity began less than one year before the  
5 July 1 supplemental benefit payment date shall be eligible if  
6 the deceased spouse received a retirement annuity from the Fund  
7 during the period from the previous July 1 until the start of  
8 the surviving spouse annuity.

9 (c) The amount of the supplemental benefit payment to each  
10 eligible person shall be 75% of the monthly retirement or  
11 surviving spouse annuity payable to that person in June  
12 preceding the July 1 supplemental benefit payment date. ~~shall~~  
13 ~~be determined by the Board as follows: (1) The total amount~~  
14 ~~available for the payment of supplemental benefit payments~~  
15 ~~under this Section in any year shall be 0.62% of the last~~  
16 ~~annual participating payroll for all participating~~  
17 ~~municipalities and participating instrumentalities in the~~  
18 ~~Fund, as determined and reconciled by the Fund. (2) The amount~~  
19 ~~of the supplemental benefit payment to each eligible person~~  
20 ~~shall be a portion of the total amount available under~~  
21 ~~paragraph (1), equal to that portion of the total amount~~  
22 ~~payable by the Fund to all eligible persons for retirement and~~  
23 ~~surviving spouse annuities in the June preceding the July 1~~  
24 ~~supplemental benefit payment date, that is payable to the~~  
25 ~~eligible person in that month. (3) Notwithstanding the~~  
26 ~~provisions of this subsection (c) paragraph (2), the amount of~~

1 any supplemental benefit payment paid to an annuitant under  
2 this Section shall not exceed any benefit limitations  
3 established by the federal government for qualified public  
4 pension plans.

5 (Source: P.A. 87-850.)

6 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

7 Sec. 7-172. Contributions by participating municipalities  
8 and participating instrumentalities.

9 (a) Each participating municipality and each participating  
10 instrumentality shall make payment to the fund as follows:

11 1. municipality contributions in an amount determined  
12 by applying the municipality contribution rate to each  
13 payment of earnings paid to each of its participating  
14 employees;

15 2. an amount equal to the employee contributions  
16 provided by paragraphs (a) and (b) of Section 7-173,  
17 whether or not the employee contributions are withheld as  
18 permitted by that Section;

19 3. all accounts receivable, together with interest  
20 charged thereon, as provided in Section 7-209;

21 4. if it has no participating employees with current  
22 earnings, an amount payable which, over a period of 20  
23 years beginning with the year following an award of  
24 benefit, will amortize, at the effective rate for that  
25 year, any negative balance in its municipality reserve

1 resulting from the award. This amount when established will  
2 be payable as a separate contribution whether or not it  
3 later has participating employees.

4 (b) A separate municipality contribution rate shall be  
5 determined for each calendar year for all participating  
6 municipalities together with all instrumentalities thereof.  
7 The municipality contribution rate shall be determined for  
8 participating instrumentalities as if they were participating  
9 municipalities. The municipality contribution rate shall be  
10 the sum of the following percentages:

11 1. The percentage of earnings of all the participating  
12 employees of all participating municipalities and  
13 participating instrumentalities which, if paid over the  
14 entire period of their service, will be sufficient when  
15 combined with all employee contributions available for the  
16 payment of benefits, to provide all annuities for  
17 participating employees, and the \$3,000 death benefit  
18 payable under Sections 7-158 and 7-164, such percentage to  
19 be known as the normal cost rate.

20 2. The percentage of earnings of the participating  
21 employees of each participating municipality and  
22 participating instrumentalities necessary to adjust for  
23 the difference between the present value of all benefits,  
24 excluding temporary and total and permanent disability and  
25 death benefits, to be provided for its participating  
26 employees and the sum of its accumulated municipality

1 contributions and the accumulated employee contributions  
2 and the present value of expected future employee and  
3 municipality contributions pursuant to subparagraph 1 of  
4 this paragraph (b). This adjustment shall be spread over  
5 the remainder of the period that is allowable under  
6 generally accepted accounting principles.

7 3. The percentage of earnings of the participating  
8 employees of all municipalities and participating  
9 instrumentalities necessary to provide the present value  
10 of all temporary and total and permanent disability  
11 benefits granted during the most recent year for which  
12 information is available.

13 4. The percentage of earnings of the participating  
14 employees of all participating municipalities and  
15 participating instrumentalities necessary to provide the  
16 present value of the net single sum death benefits expected  
17 to become payable from the reserve established under  
18 Section 7-206 during the year for which this rate is fixed.

19 5. The percentage of earnings necessary to meet any  
20 deficiency arising in the Terminated Municipality Reserve.

21 6. The percentage of earnings of the participating  
22 employees of all participating municipalities and  
23 participating instrumentalities necessary to provide that  
24 year's supplemental benefit payment under Section 7-144.3.

25 (c) A separate municipality contribution rate shall be  
26 computed for each participating municipality or participating

1 instrumentality for its sheriff's law enforcement employees.

2 A separate municipality contribution rate shall be  
3 computed for the sheriff's law enforcement employees of each  
4 forest preserve district that elects to have such employees.  
5 For the period from January 1, 1986 to December 31, 1986, such  
6 rate shall be the forest preserve district's regular rate plus  
7 2%.

8 In the event that the Board determines that there is an  
9 actuarial deficiency in the account of any municipality with  
10 respect to a person who has elected to participate in the Fund  
11 under Section 3-109.1 of this Code, the Board may adjust the  
12 municipality's contribution rate so as to make up that  
13 deficiency over such reasonable period of time as the Board may  
14 determine.

15 (d) The Board may establish a separate municipality  
16 contribution rate for all employees who are program  
17 participants employed under the federal Comprehensive  
18 Employment Training Act by all of the participating  
19 municipalities and instrumentalities. The Board may also  
20 provide that, in lieu of a separate municipality rate for these  
21 employees, a portion of the municipality contributions for such  
22 program participants shall be refunded or an extra charge  
23 assessed so that the amount of municipality contributions  
24 retained or received by the fund for all CETA program  
25 participants shall be an amount equal to that which would be  
26 provided by the separate municipality contribution rate for all

1 such program participants. Refunds shall be made to prime  
2 sponsors of programs upon submission of a claim therefor and  
3 extra charges shall be assessed to participating  
4 municipalities and instrumentalities. In establishing the  
5 municipality contribution rate as provided in paragraph (b) of  
6 this Section, the use of a separate municipality contribution  
7 rate for program participants or the refund of a portion of the  
8 municipality contributions, as the case may be, may be  
9 considered.

10 (e) Computations of municipality contribution rates for  
11 the following calendar year shall be made prior to the  
12 beginning of each year, from the information available at the  
13 time the computations are made, and on the assumption that the  
14 employees in each participating municipality or participating  
15 instrumentality at such time will continue in service until the  
16 end of such calendar year at their respective rates of earnings  
17 at such time.

18 (f) Any municipality which is the recipient of State  
19 allocations representing that municipality's contributions for  
20 retirement annuity purposes on behalf of its employees as  
21 provided in Section 12-21.16 of the Illinois Public Aid Code  
22 shall pay the allocations so received to the Board for such  
23 purpose. Estimates of State allocations to be received during  
24 any taxable year shall be considered in the determination of  
25 the municipality's tax rate for that year under Section 7-171.  
26 If a special tax is levied under Section 7-171, none of the

1 proceeds may be used to reimburse the municipality for the  
2 amount of State allocations received and paid to the Board. Any  
3 multiple-county or consolidated health department which  
4 receives contributions from a county under Section 11.2 of "An  
5 Act in relation to establishment and maintenance of county and  
6 multiple-county health departments", approved July 9, 1943, as  
7 amended, or distributions under Section 3 of the Department of  
8 Public Health Act, shall use these only for municipality  
9 contributions by the health department.

10 (g) Municipality contributions for the several purposes  
11 specified shall, for township treasurers and employees in the  
12 offices of the township treasurers who meet the qualifying  
13 conditions for coverage hereunder, be allocated among the  
14 several school districts and parts of school districts serviced  
15 by such treasurers and employees in the proportion which the  
16 amount of school funds of each district or part of a district  
17 handled by the treasurer bears to the total amount of all  
18 school funds handled by the treasurer.

19 From the funds subject to allocation among districts and  
20 parts of districts pursuant to the School Code, the trustees  
21 shall withhold the proportionate share of the liability for  
22 municipality contributions imposed upon such districts by this  
23 Section, in respect to such township treasurers and employees  
24 and remit the same to the Board.

25 The municipality contribution rate for an educational  
26 service center shall initially be the same rate for each year

1 as the regional office of education or school district which  
2 serves as its administrative agent. When actuarial data become  
3 available, a separate rate shall be established as provided in  
4 subparagraph (i) of this Section.

5 The municipality contribution rate for a public agency,  
6 other than a vocational education cooperative, formed under the  
7 Intergovernmental Cooperation Act shall initially be the  
8 average rate for the municipalities which are parties to the  
9 intergovernmental agreement. When actuarial data become  
10 available, a separate rate shall be established as provided in  
11 subparagraph (i) of this Section.

12 (h) Each participating municipality and participating  
13 instrumentality shall make the contributions in the amounts  
14 provided in this Section in the manner prescribed from time to  
15 time by the Board and all such contributions shall be  
16 obligations of the respective participating municipalities and  
17 participating instrumentalities to this fund. The failure to  
18 deduct any employee contributions shall not relieve the  
19 participating municipality or participating instrumentality of  
20 its obligation to this fund. Delinquent payments of  
21 contributions due under this Section may, with interest, be  
22 recovered by civil action against the participating  
23 municipalities or participating instrumentalities.  
24 Municipality contributions, other than the amount necessary  
25 for employee contributions and Social Security contributions,  
26 for periods of service by employees from whose earnings no

1 deductions were made for employee contributions to the fund,  
2 may be charged to the municipality reserve for the municipality  
3 or participating instrumentality.

4 (i) Contributions by participating instrumentalities shall  
5 be determined as provided herein except that the percentage  
6 derived under subparagraph 2 of paragraph (b) of this Section,  
7 and the amount payable under subparagraph 5 of paragraph (a) of  
8 this Section, shall be based on an amortization period of 10  
9 years.

10 (j) Notwithstanding the other provisions of this Section,  
11 the additional unfunded liability accruing as a result of this  
12 amendatory Act of the 94th General Assembly shall be amortized  
13 over a period of 30 years beginning on January 1 of the second  
14 calendar year following the calendar year in which this  
15 amendatory Act takes effect, except that the employer may  
16 provide for a longer amortization period by adopting a  
17 resolution or ordinance specifying a 35-year or 40-year period  
18 and submitting a certified copy of the ordinance or resolution  
19 to the fund no later than June 1 of the calendar year following  
20 the calendar year in which this amendatory Act takes effect.

21 (Source: P.A. 94-712, eff. 6-1-06.)

22 Section 90. The State Mandates Act is amended by adding  
23 Section 8.32 as follows:

24 (30 ILCS 805/8.32 new)

1       Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8  
2       of this Act, no reimbursement by the State is required for the  
3       implementation of any mandate created by this amendatory Act of  
4       the 95th General Assembly.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law.